

Brownfields Property Application
North Carolina Brownfields Program
www.ncbrownfields.org

I. PROSPECTIVE DEVELOPER (PD) INFORMATION {USE TAB KEY TO GET TO NEXT DATA ENTRY LINE – DO NOT USE THE RETURN KEY}

A. PD information:

Entity name	Grubb Management, Inc.
Principal Officer	Clay Grubb
Representative	Jonathan Nance
Mailing Address	4601 Park Road, Suite 450 Charlotte, NC 28209
E-mail address	jnance@grubbproperties.com
Phone No.	(704) 372-5616
Fax No.	(704) 372-9882
Web site	http://www.grubbproperties.com/

B. PD contact person information (i.e., individual who will serve as the NCBP's point of contact if different than above):

Name	William W. Toole
Company	Robinson, Bradshaw and Hinson, PA
Mailing Address	101 N. Tryon St, Suite 1900 Charlotte, NC 28246
E-Mail Address	wtoole@rbh.com
Phone No.	704.377.8373
Fax No.	704.373.3973

C. Information regarding all parent companies, subsidiaries or other affiliates of PD (attach separate sheet(s) if necessary):

(Use for LLCs)

Member-managed or manager-managed? **Answer:**

If manager-managed, provide name of manager and percent of ownership:

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

For all LLCs, list all members of the LLC and provide their percent of ownership:

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

Managers of manager-managed LLCs are required to execute all brownfield documents for the LLC; as to member-managed LLCs, state name of member who will sign these documents.

List all parent companies, subsidiaries and other affiliates:

(Use for Partnerships)

Check one: General Partnership Limited Partnership

List all partners and percent of ownership:

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

Is this person a general or limited partner?

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

Is this person a general or limited partner?

List all parent companies, subsidiaries and other affiliates:

(Use for corporations other than LLCs)

(If information is the same as shown in 1.A., please indicate "same as 1.A." below.)

Name same as 1.A above

Mailing Address

E-Mail Address

Phone No.

Fax No.

List all parent companies, subsidiaries and other affiliates:

Grubb Properties, Inc. (parent)
Sterling Contractors, LLC (affiliate)

(Use for individuals)

(If individual is the same as shown in 1.A., -please indicate "same as 1.A." above.)

Name

Mailing Address

E-Mail Address

Phone No.

Fax No.

- D. Does PD have or can it obtain the financial means to fully implement a brownfields agreement and assure the safe reuse of the property? *(Attach supporting documentation such as letters of credit, financial statements, etc.)*

Answer Yes

Explanation PD has ample resources to fully implement a brownfield agreement.

- E. Does PD have or can it obtain the managerial means to fully implement a brownfields agreement and assure the safe use of the property?

Answer Yes

Explanation PD has ample resources to fully implement a brownfield agreement.

F. Does PD have or can it obtain the technical means to fully implement a brownfields agreement and assure the safe use of the property?

Answer Yes

Explanation PD has engaged Partner Engineering North Carolina, PLLC to conduct such work as is necessary.

G. Does PD commit that it will comply (and has complied, if PD has had a prior project in the NCBP) with all applicable procedural requirements of the NCBP, including prompt payment of all statutorily required fees?

Answer Yes

(List all NCBP project name(s) and NCBP project ID numbers where PD or any parent company, subsidiary and other affiliate of PD has been a party to.)

none

H. Does PD currently own the property?

Answer No, the properties are under contract

If yes, when did PD purchase the property and from whom? *(Provide name, address, telephone number and email address of the contact person for the current property owner.)*

N/A

If no, provide the name, address, telephone number and e-mail address of the contact person for the current property owner

Slate Winston Holdings, LLC
c/o Sabal Financial Group
Attn: Thomas Shaughnessy
4675 MacArthur Court, 15th Floor
Newport Beach, CA 92660
678.412.0336
thomas.shaughnessy@sabalfin.com

I. If PD does not currently own the property, does PD have the property under contract to purchase?

Answer Yes, through its parent.

If yes, provide date of contract. December 2, 2014, as amended

If no, when does the PD intend to purchase the property (e.g., after the project is determined to be eligible for participation in the NCBP, after PD receives a draft BFA, after the

conclusion of the brownfields process)? Note: the Act requires the PD to demonstrate that it intends to either buy or sell the property.

- J. Describe all activities that have taken place on the property since PD or PD's parents, subsidiaries and/or other affiliates, and/or lessees or sublessees of PD, took ownership of or operated at the property (e.g., industrial, manufacturing or commercial activities, etc.). *(Include a list of all regulated substances as defined at NCGS § 130A-310.31(b)(11) that have been used, stored on, or otherwise present at the property while those activities were conducted, and explain how they were used.)*

PD has not taken ownership nor begun any operations at the properties.

II. SITE INFORMATION

- A. Information regarding the proposed brownfields property:

Proposed project name 500 W. 5th Street Revitalization

acreage 4.31 street address(es) 500 W. 5th Street and 601 W. 4th Street

city Winston-Salem County Forsyth zip 27101

tax ID(s) or PIN(s) 6835-07-8198.00; 6835-07-9068.00; 6835-06-9978; 6835-06-6937.00; 6835-07-7203; 6835-07-6222 601

past use(s) 500 W. 5th Street -- One 21-story building with a basement (North Tower), one six-story building with a basement (South Tower), and one single-story building which houses an emergency generator. Historical Sanborn Fire Insurance Maps dated 1950 and 1957 depicted a filling station with four tanks located on the southwest corner of the subject property. Other historical uses include residential and house of worship.

601 W. 4th Street has a four deck parking garage with attached two story commercial/retail space. Prior uses include residential, used car dealership, tire sales and service, and a tobacco manufacturing facility.

current use(s) 500 W. 5th Street is vacant. 601 W. 4th Street is currently operating as a parking garage, with the attached office/retail space being underutilized.

cause(s)/source(s) of contamination:

known benzene, xylene, ethylbenze, naphthalene and bis(2-ethylhexyl)phthalate in groundwater from USTs and other unknown sources; total petroleum hydrocarbons soil contamination from 10,000 gallon diesel UST

suspected

- B. Regulatory Agency Involvement: List the site names and all identifying numbers (ID No.) previously or currently assigned by any federal, state or local environmental regulatory agencies for the property. The ID No's may include [CERCLIS numbers](#), RCRA generator numbers for past and present operations, [UST database](#), [Division of Water Quality's incident management database](#), and/or [Inactive Hazardous Sites Branch inventory numbers](#). *(In many instances, the PD will need to actively seek out this information by reading environmental site assessment reports, reviewing government files, contacting government officials, and through the use of government databases, many of which may be available over the internet.)*

Agency Name/ID No: [NCDENR \(DWM/UST\) Incident No. 8943](#)

Agency Name/ID No: [NCDENR \(DWM/UST\) Incident No. 30480](#)

Agency Name/ID No:

Agency Name/ID No:

Agency Name/ID No:

- C. In what way(s) is the property abandoned, idled, or underused?

[The office buildings are vacant and need to be razed and replaced or upfitted, as appropriate.](#)

- D. In what way(s) is the actual or possible contamination at the property a hindrance to development or redevelopment of the property (attach any supporting documentation such as letters from lending institutions)?

[The highest and best use of the property is high density residential with mixed use commercial/retail. Contamination remains in soil and groundwater, and filed notices of residual petroleum prohibit residential use. Lenders will not loan money for the necessary redevelopment until the contamination has been properly addressed and the residential use prohibitions modified.](#)

- E. In what way(s) is the redevelopment of the property difficult or impossible without a brownfields agreement (attach any supporting documentation such as letters form lending institutions)?

[See II.D.](#)

- F. What are the planned use(s) of the redeveloped brownfields property to which the PD will commit? Be as specific as specific as possible.

[The property will be redeveloped for high density residential use creating between 300 and 343 new units, along with mixed commercial and retail use.. The redevelopment will require removing and replacing one building, and completely upfitting the remainig buildings.](#)

G. Current tax value of brownfields property: \$31 million

H. Estimated capital investment in redevelopment project: \$83 million

I. List and describe the public benefits that will result from the property’s redevelopment. Be as specific as possible. (Examples of public benefits for brownfields projects include job creation, tax base increases, revitalization of blighted areas, preserved green space, preserved historic places, improving disadvantaged neighborhood quality-of-life related retail shopping opportunities, affordable housing, environmental cleanup activities or set asides that have community or environmental benefits. In gauging public benefit, NCBP places great value upon letters of support from community groups and local government that describe anticipated improvements in quality of life for neighboring communities that the project will bring about. The inclusion of such support letters with this application is recommended and encouraged.)

Redevelopment of this block will likely enhance future development opportunities for the area, attracting high-quality employers, residents and retailers. The redevelopment will radically revitalize a large blighted area located in an important segment of downtown Winston-Salem. The redevelopment for high density residential and mixed commercial/retail use will bring additional life to the streetscape. The new apartment development is planned to include at least 20% affordable housing. The development budget includes substantial infrastructure improvements on the block, including new roadways, sidewalk, and utilities. The goal for the office tower is to secure a corporate relocation or regional headquarters that would bring up to 300 - 600 permanent new jobs to Winston-Salem. It is estimated the project will create approximately 150 construction jobs and add \$75 million to the assessed community tax base once completed.

Special Note: Please describe all environment-friendly technologies and designs PD plans to utilize in its redevelopment strategy. For example, environment friendly redevelopment plans could include: Leadership in Energy and Environmental Design (LEED) Certification, green building materials; green landscaping techniques such as using drought resistant plants; energy efficient designs, materials, appliances, machinery, etc.; renewable sources of energy, and/or recycling/reuse of old building materials such as brick or wood.

Prospective Developer intends to seek Bronze Certification National Green Building Standard for the multi-family portion of the development.

J. Who will own the brownfields property when the Notice of Brownfields Property is filed with the register of deeds at the conclusion of the brownfields process? (If information is the same as 1.A. above, please indicate.)

Name same as 1.A

Mailing Address

E-Mail Address

Phone No.

Fax No.

III. OTHER REQUIRED INFORMATION

- A. Brownfields Affidavit: PD must provide its certification, in the form of a signed and notarized original of the unmodified model brownfields affidavit provided by NCBP, that it did not cause or contribute to contamination at the property and that it meets all other statutory eligibility requirements. *(Note: The form to use for this affidavit is attached to this application. It must be filled out signed notarized, and submitted with this application.)*
Is the required affidavit, as described above, included with this application?

Answer [Yes](#)

- B. Proposed Brownfields Agreement Form: PD must provide the completed form Proposed Brownfields Agreement. *(Note: The form to use for this document is attached to this application. It must be filled out, initialed, and attached on your submittal.)*
Is the required Proposed Brownfields Agreement , as described above, included with this application?

Answer [Yes](#)

- C. Location Map: PD must provide a copy of the relevant portion of the 1:24,000 scale [U.S.G.S. topographic quadrangle map](#) that shows the property clearly plotted, and that measures at least an 8 ½ by 11 inches. *(Note: these maps can be purchased through the above link, or often through retail outdoor recreation stores that can print out the relevant map. Often environmental reports have location maps that use this type of map as the base for its location map.)*
Is the required location map included with this application?

Answer [Yes](#)

- D. Survey Plat: PD must provide a preliminary survey plat of the brownfields property with the property boundaries clearly identified, and a metes and bounds legal description that matches the property description on the plat. At this stage of the brownfields process; one or more existing survey plats from a previous property conveyance will suffice. *(Before the brownfields project enters the public comment phase of the brownfields process, the PD will be required to submit a final brownfields survey plat which includes the information listed in the brownfields [survey plat guidance](#).)*
Is the required preliminary survey plat included with this application?

Answer [Yes](#)

E. Site Photographs: PD must provide at least one pre-redevelopment photograph of the property, in either hard copy or electronic format that shows existing facilities and structures. **Please note that the NCBP prefers to have electronic photos instead of or in addition to hard copies. Electronic copies of photographs should be emailed to: Shirley.Liggins@ncdenr.gov with a clear indication as to which Brownfields Application they apply to.**

Are photographs of the property included with this application?

Answer Yes, included with Phase I reports

Have electronic copies of the photographs been emailed to NCBP?

Answer Yes

F. Environmental Reports/Data: If it makes an affirmative eligibility determination, the NCBP will request that PD provide any and all existing environmental reports and data for the property on **CD only**. The brownfields process may be expedited if PD submits such reports/data with this application.

Are any environmental reports/data being submitted with this application?

Answer Yes

If environmental reports/data are being submitted with this application, please provide the **title**, **date** and **author** of each item being submitted:

Phase I Environmental Site Assessment Report, North Tower, 500 West 5th Street, Winston-Salem, NC by Partner Engineering North Carolina, PLLC (January 8, 2014) (draft)

Phase II Subsurface Investigation, 500 West 5th Street, Winston-Salem, NC by Partner Engineering North Carolina, PLLC (March 4, 2015)

Phase I Environmental Site Assessment Report, 601 West 4th Street, Winston-Salem, NC by Partner Engineering North Carolina, PLLC (July 9, 2015) (draft)

IV. ADDITIONAL REQUIRED FORMS

The following forms are to be filled out and submitted with the application including the Responsibility and Compliance Affidavit and the Proposed Brownfields Agreement. Submittal of the Affidavit requires signature and notarization, and the Proposed Brownfields Application requires an initial.

**NORTH CAROLINA DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES
NORTH CAROLINA BROWNFIELDS PROGRAM**

IN THE MATTER OF: Grubb Management, Inc.

**UNDER THE AUTHORITY OF) AFFIDAVIT
NORTH CAROLINA GENERAL) RE: RESPONSIBILITY
STATUTES § 130A-310.30, et. seq.) AND COMPLIANCE**

Jonathan Nance, being duly sworn, hereby deposes and says:

1. I am the **Senior Vice President of Grubb Management, Inc.**
2. I am fully authorized to make the declarations contained herein and to legally bind **Grubb Management, Inc.**
3. **Grubb Management, Inc.** is applying for a Brownfields Agreement with the North Carolina Department of Environment and Natural Resources, pursuant to N.C.G.S. § 130A, Article 9, Part 5 (Brownfields Act), in relation to the following **six** parcels in **Winston-Salem, Forsyth County**, North Carolina:
 - 6835-07-8198.00
 - 6835-07-9068.00
 - 6835-06-9978
 - 6835-06-6937.00
 - 6835-07-7203
 - 6835-07-6222 601
4. I hereby certify, under the pains and penalties of perjury and of the Brownfields Act, that **Grubb Management, Inc.**, and any parent, subsidiary or other affiliate meets the eligibility requirements of N.C.G.S. § 130A-310.31(b)(10), in that it has a *bona fide*, demonstrable desire to **buy** **sell** for the purpose of developing or redeveloping, and did not cause or contribute to the contamination at, the parcel(s) cited in the preceding paragraph.
5. I hereby certify, under the pains and penalties of perjury and of the Brownfields Act, that **Grubb Management, Inc.** meets the eligibility requirement of N.C.G.S. §130A-310.32(a)(1) in that it and any parent, subsidiary or other affiliate have substantially complied with:
 - a. the terms of any brownfields or similar agreement to which it or any parent, subsidiary or other affiliate has been a party;
 - b. the requirements applicable to any remediation in which it or any parent, subsidiary or other affiliate has previously engaged;
 - c. federal and state laws, regulations and rules for the protection of the environment.

Affiant further saith not.

[Handwritten Signature]

Jonathan Nance

1-21-16
Date

Sworn to and subscribed before me

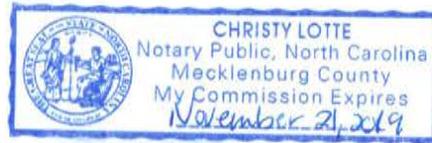
this 21 day of January, 2016.

Christy Lotte

Notary Public

My commission expires: November 21, 2019

(SEAL)



Preliminary Proposed Brownfields Agreement

I. Property Facts

- a. Property Address(es): 500 W. 5th Street and 601 West 4th Street, Winston-Salem, NC 27101
- b. Property Seller: Slate Winston Holdings, LLC
- c. Property Buyer: Grubb Properties, Inc.
- d. Brief Property Usage History: Office, commercial, retail, industrial has resulted in a variety of petroleum releases that continue to contaminate soil and groundwater. Notices of residual petroleum issued in connection with regulatory oversight from the NCDENR Division of Waste Management, UST Section prohibit residential use at the property.

- e. The planned reuse will potentially involve the following use classification(s) (check all that apply):

- School/childcare/senior care
- Residential
- Commercial, retail (specify)
- Other commercial (specify)
- Office
- Light industrial
- Heavy industrial
- Recreational
- Open space
- Other (specify)

II. Contaminant Information

- a. The contaminant situation at the property is best described by the following (check all that apply):

- Contaminants are from an on-property source(s)
- Contaminants are from an off-property source(s)
- Contaminants are from an unknown source(s)
- Contaminants have not yet been documented on the property

b. Contaminated Media Table. (If known, check appropriate boxes below)

Contaminant Types	Soil		Groundwater and/or Surface Water		Private Wells		Vapor Intrusion	
	known	Suspected	known	Suspected	known	suspected	known	suspected
o r g a n i c s	Chlorinated Solvents (list):							
	Petroleum: ASTs <input type="checkbox"/> USTs <input checked="" type="checkbox"/> Other <input type="checkbox"/>	X		X				
	Other (list):							
i n o r g a n i c s	Metals (list):							
	Other (list):							

III. Protective Measures

I am prepared to take steps necessary to make the property suitable for its planned uses while fully protecting public health and the environment. I propose that NCBP consider a brownfields agreement that will make the property suitable for the planned use(s) through the following mechanism(s) (check all that apply):

- Contaminant remediation to risk-based levels.
- Engineered Controls (e.g., low permeability caps, vapor mitigation systems, etc)
- Land use restrictions that run with the land that will restrict or prohibit uses that are unacceptable from a risk assessment/management perspective. (*Important Note: In any*

final brownfields agreement generated by the NCBP, land use restrictions will ultimately come with the continuing obligation to submit an annual certification that the Land Use Restrictions are being complied with and are recorded at the applicable register of deeds office.)

IV. Fees

In connection with a brownfields agreement, the Act requires that the developer pay fees to offset the cost to the Department of Environment and Natural Resources and the Department of Justice. In satisfaction of the Act, the following fees apply to any brownfields agreement that is developed for this project, subject to negotiation of the brownfields agreement:

- a. A \$2,000 initial fee will be due from the applicant PD when **both** of the following occur:
 - 1) NCBP receives this application and proposed brownfields agreement, AND
 - 2) NCBP notifies the applicant in writing that the applicant PD and the project are eligible for participation in the NCBP and continued negotiation of a brownfields agreement.
- b. A second fee of \$6,000 will be due from the PD prior to execution of the brownfields agreement. Should the prospective developer choose to negotiate changes to the agreement that necessitate evaluation by the Department of Justice, additional fees shall apply.
- c. Any addendum/modifications to the BFA or NBP after they are in effect will result in an additional fee of at least \$1,000.
- d. In the unexpected event that the environmental conditions at the property are unusually complex, such that NCBP's costs will clearly exceed the above amounts, NCBP and PD will negotiate additional fees.

JW Please check this box and initial in space provided to indicate your acknowledgement of the above fee structure.

Date of Submittal: JAN. 21, 2016